

Statement for the Record
Congressman Charles W. Boustany Jr., MD
H.R. 6, the 21st Century Cures Act
July 10, 2015

Mister Speaker, I rise today to express opposition to H.R. 6, the 21st Century Cures Act.

As a doctor, I strongly support medical innovation and research. Over the course of my 30 years practicing medicine, I saw tremendous leaps and bounds in treatment that saved lives. I appreciate the hard work put into creatively attempting to modernize the health-care innovation infrastructure, specifically efforts to incorporate a patient perspective into the drug and device approval process, support advances in personalized medicine, and streamline clinical trials. However, I cannot support the sale of 64 million barrels of crude oil from the Strategic Petroleum Reserve being used to pay for these changes.

Over the past year, the price of oil has dropped from above \$100 per barrel to below \$50. Although the price of oil is currently at \$54 a barrel on the global markets, this is far from stable. I do not understand why Congress would agree to sell 64 million barrels from the Strategic Petroleum Reserve when the price is low, flooding the global oil market place, and likely causing the price to drop even further. This has the potential to cause havoc for our own domestic oil and gas industry.

The decline in oil prices is hurting the states that had benefited from the domestic oil-production boom in recent years. My home state of Louisiana ranked second in the U.S. in oil production and second in natural gas production in 2013, with more than 64,000 Louisianans employed in extraction, pipeline and refining industries. This industry matters to everyone in Louisiana.

According to the American Petroleum Institute the U.S. oil and natural gas industry supports more than 9 million jobs nationwide, supports over 7% of GDP, and contributes more than \$86 million to the Federal Treasury every day. Since oil prices began to drop, it has been widely reported that the oil and gas industry have been struggling to keep their employees on payroll. In April, the U.S. Bureau of Labor Statistics announced that Louisiana suffered a 3,300 job loss in the mining and logging sector. In June we saw two consecutive week losses in mining employment — that's the category that includes many oil and gas exploration and extraction jobs — have slipped below 100 in Louisiana.

I will not accept the false choice between supporting medical innovation and Louisiana oil and gas jobs. I believe it's irresponsible to flood the global market for petroleum with more product while Louisiana families are experiencing layoffs because of low global prices.

Many of my colleagues have stated that given the remarkable expansion of North American oil production, a reduction in the size of the reserve could be seen as responsible cost-effective public policy. I would disagree. Research shows that price spikes in transportation fuels is highly regressive, with most of the cost disproportionately hitting middle class and low-income groups. This vulnerability remains even though our work shows that the U.S. and much of the

Western hemisphere will largely separate from physical trade flows with Middle East producers in the next few years.

According to the U.S. Energy Information Agency (EIA), the U.S. economy will continue to rely upon petroleum for many years, and work by EPRINC and many other research groups demonstrates that we will remain vulnerable to severe economic damage from disruptions in petroleum supplies in the world oil market. The SPR remains an important strategic asset for protecting the U.S. economy and security interests from this vulnerability.

Selling barrels from the Strategic Petroleum Reserve should be done in a thoughtful and strategic manner when global prices are high, not as another coffer for Congress to raid at its convenience and at the expense of Louisiana's oil & gas industry.